

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

DOCKET NO. R2000-1

INTERROGATORIES FROM UNITED PARCEL SERVICE
TO TIME WARNER, INC. WITNESS STRALBERG
(UPS/TW-T1-1 through 3)
(June 19, 2000)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby files and serves the following interrogatories directed to Time Warner, Inc. witness Stralberg: UPS/TW-T1-1 through 3.

Respectfully submitted,



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INTERROGATORIES OF UNITED PARCEL SERVICE TO
TIME WARNER, INC. WITNESS STRALBERG

UPS/TW-T1-1. Refer to page 22 of your testimony, where you recommend that “[m]ixed mail and not handling costs in allied BMC and NonMODS cost pools should be distributed broadly over all pools within the respective facility categories.”

(a) Confirm that Non-MODS allied operations include the Misc cost pool. If not confirmed, explain fully.

(b) If (a) is confirmed, provide a detailed description of how your SAS programs distribute the mixed tallies in the Misc cost pool.

(c) If (a) is confirmed, explain why the composite volume variability factor of the sorting operations, recommended by MPA witness Cohen (MPA-T-1) as the upper bound for volume variability of the allied operations, was not used for the Misc cost pool.

UPS/TW-T1-2. Refer to page 22 of your testimony, where you recommend that “[m]ixed mail’ costs at allied MODS pools, including empty equipment costs, should be broadly distributed over the direct costs in all Function 1 MODS cost pools.” Confirm that mixed allied tallies with known operation (tallies processed in “mdmxoper”) are distributed over all direct tallies, not just Function 1 cost pools. If confirmed, explain why the distribution key was not limited to Function 1 cost pools. If not confirmed, explain why not.

UPS/TW-T1-3. Refer to page 22 of your direct testimony, where you recommend that “[n]ot handling’ costs at allied MODS cost pools should be broadly distributed over direct costs and distributed mixed mail costs in all MODS Function 1 cost pools.”

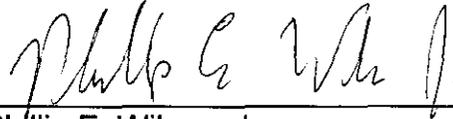
INTERROGATORIES OF UNITED PARCEL SERVICE TO
TIME WARNER, INC. WITNESS STRALBERG

(a) Confirm that the distribution key used to distribute the "not handling" allied tallies with known operation (tallies processed in "mdnhoper") does not include distributed mixed mail tallies with unknown operation (tallies processed in "mod3alld"). If confirmed, explain why distributed mixed mail tallies with unknown operation were excluded from the distribution key. If not confirmed, explain why not.

(b) Confirm that the "not handling" allied tallies with known operation (tallies processed in "mdnhoper") are distributed over all cost pools, not just Function 1 pools. If confirmed, explain why the distribution key was not limited to Function 1 cost pools. If not confirmed, explain why not.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document by first class mail, postage prepaid, in accordance with Section 12 of the Commission's Rules of Practice.



Phillip E. Wilson, Jr.
Attorney for United Parcel Service

Dated: June 19, 2000
Philadelphia, Pa.